

# APPENDIX 3B

82-34

## New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Name of entity  
**SANTOS LTD**

ABN  
**80 007 550 923**



**06014633**

**SUPPL**

We (the entity) give ASX the following information.

### Part 1 – All issues

1 Class of securities issued or to be issued

**Fully paid ordinary shares.**

2 Number of securities issued or to be issued (if known) or maximum number which may be issued.

**72,735**

3 Principal terms of the securities (eg, if options, exercise price and expiry date; if partly paid securities, the amount outstanding and due dates for payment; if convertible securities, the conversion price and dates for conversion)

**Consistent with all other ordinary shares on issue.**

4 Do the securities rank equally in all respects from the date of allotment with an existing class of quoted securities?

**Yes.**

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

**PROCESSED**

**JUN 23 2006**

**THOMSON  
FINANCIAL**

5 Issue price or consideration

**As to 45,085 shares \$6.38 per share;  
As to 27,650 shares \$8.48 per share.**

6 Purpose of the issue  
(If issued as consideration for the acquisition of assets, clearly identify those assets)

**As to 45,085 shares, issue consequent upon exercise of options granted on 12 December 2003 and as to 27,650 shares, issue consequent upon exercise of vested options pursuant to the Santos Executive Share Option Plan.**

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CORPORATE FINANCE

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7	Dates of entering securities into uncertificated holdings or despatch of certificates	15 June 2006					
8	Number and class of all securities quoted on ASX (including the securities in clause 2 if applicable)	Refer to item 42					
9	Number and class of all securities not quoted on ASX (including the securities in clause 2 if applicable)	<table border="1"><tr><th>Number</th><th>Class</th></tr><tr><td>Refer to item 43</td><td></td></tr></table>	Number	Class	Refer to item 43		
Number	Class						
Refer to item 43							
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)						

**Part 2 – Bonus issue or pro rata issue    *NOT APPLICABLE***

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the securities will be offered	

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14	Class of securities to which the offer relates	
15	Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has security holders who will not be sent new issue documents	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	
25	If the issue is contingent on security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	

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- 29 Date rights trading will end (if applicable)
- 30 How do security holders sell their entitlements *in full* through a broker?
- 31 How do security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do security holders dispose of their entitlements (except by sale through a broker)?
- 33 Despatch date

### Part 3 – Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of securities  
(tick one)

(a) ☒ Securities described in Part 1

(b) ☒ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities.

### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

- 35 ☐ If the securities are equity securities, the names of the 20 largest holders of the additional securities, and the number and percentage of additional securities held by those holders
- 36 ☐ If the securities are equity securities, a distribution schedule of the additional securities setting out the number of holders in the categories
- 1 – 1,000  
1,001 – 5,000  
5,001 – 10,000  
10,001 – 100,000  
100,001 – and over
- 37 ☐ A copy of any trust deed for the additional securities

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## **Entities that have ticked box 34(b)**

38 Number of securities for which quotation is sought

**5,439**

39 Class of securities for which quotation is sought

**Fully paid ordinary shares.**

40 Do the securities rank equally in all respects from the date of allotment with an existing class of quoted securities?

**Consistent with all other ordinary shares on issue.**

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

**End of restriction period for 5,439 shares issued on 1 July 2004 at the issue price of \$6.95 per share pursuant to Senior Executive Santos Employee Share Purchase Plan.**

42 Number and class of all securities quoted on ASX (including the securities in clause 38)

Number	Class
<b>595,844,485</b>	<b>Fully paid ordinary shares.</b>
<b>6,000,000</b>	<b>Franked unsecured equity listed securities (FUELS).</b>

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43 Number and class of all securities not quoted on ASX

Number	Class
	<b>Fully paid ordinary shares issued pursuant to the Santos Employee Share Purchase Plan:</b>
49,800	(i) held by eligible employees; and
96,714	(ii) held by Sesap Pty Ltd as trustee for the benefit of eligible executives.
46,500	Executive share plan '0' shares of 25 cents each paid to 1 cent.
41,500	Executive share plan '2' shares of 25 cents each paid to 1 cent.
601,950	Share Acquisition Rights issued pursuant to the Santos Employee Share Purchase Plan.
1,975,693	Executive options issued pursuant to the Santos Executive Share Option Plan.
17,500	Fully paid ordinary shares issued pursuant to the vesting of SARs.

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**Quotation Agreement**

1. Quotation of our additional securities is in ASX's absolute discretion. ASX may quote the securities on any conditions it decides.
2. We warrant the following to ASX.
  - The issue of the securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those securities should not be granted quotation.
  - An offer of the securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any securities to be quoted and that no-one has any right to return any securities to be quoted under section 737, 738 or 1016F of the Corporations Act at the time that we request that the securities be quoted.
  - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the securities to be quoted, it has been provided at the time that we request that the securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the securities to be quoted under section 1019B of the Corporations Act at the time that we request that the securities be quoted.
3. We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
4. We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before quotation of the securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:

\_\_\_\_\_  
Director

Date:

\_\_\_\_\_  
16 June 2006

Print name:


JOHN CHARLES ELLICE-FLINT

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CORPORATE FINANCE



## Options for Growth

John Ellice Flint  
Chief Executive Officer

UBS Resources Conference

20 June 2006

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### Disclaimer & Important Notice

This presentation contains forward looking statements that are subject to risk factors associated with the oil and gas industry. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, geotechnical factors, drilling and production results, gas commercialisation, development progress, operating results, engineering estimates, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial markets conditions in various countries, approvals and cost estimates.

All references to dollars, cents or \$ in this document are to Australian currency, unless otherwise stated.

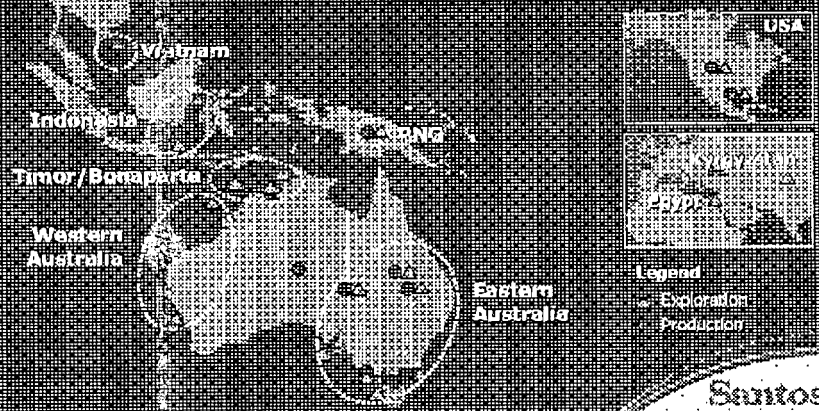
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## Santos overview

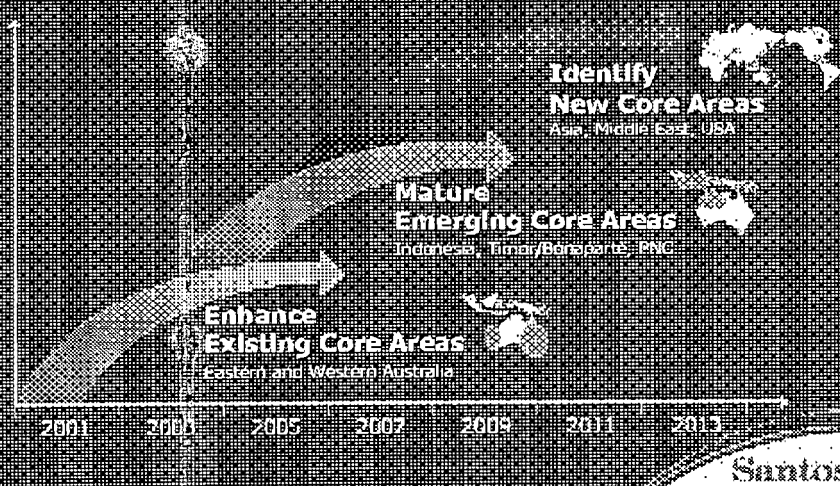
Australian based E&P company operating internationally

- Market capitalisation: ~ A\$7.3 billion (ASX top 40)
- Proven plus probable reserves: 774 mmbbl @ 31/12/05

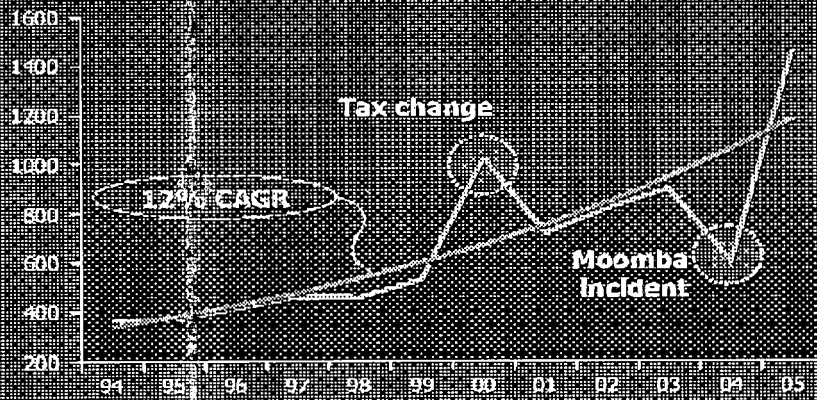


## Growth strategy driven by basin excellence

Strong cashflow underpins active exploration program



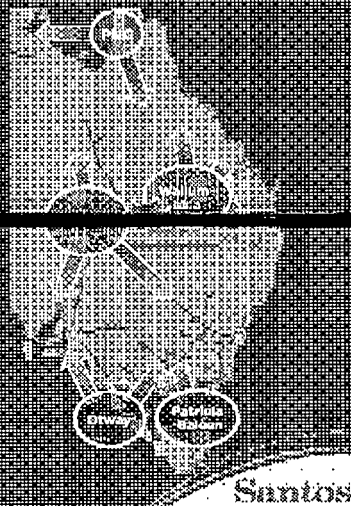
## Operating cash flow



## Eastern Australian gas

Gas production profile maintained

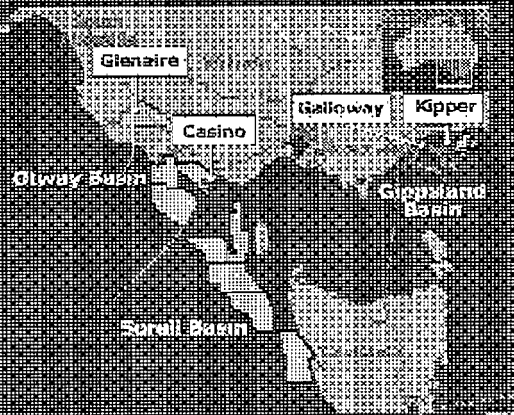
- Established infrastructure position
- Fairview production up 67% since acquisition
- Casino on-line 1Q 2006
- Significant controlled resources
- Gas prices strong



## Southern margins gas focus

### Growing exploration opportunity base

- Olway – Casino/Henry acceleration, low risk follow up 2007 drilling
- Sorrell – high risk, LNG scale deepwater portfolio – possible 2007 drilling
- Gippsland – Kipper gas field equity purchase with exploration upside

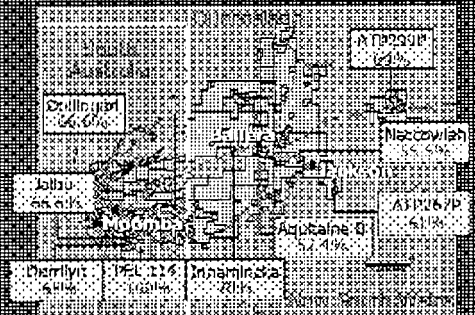


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## Cooper Oil Project

### Exploration, exploitation and EOR project underway

- Three rigs operational
- 1000+ well program over 5 years
- Targeting:  
4,200 bopd by end 2006  
13,000 bopd by end 2007



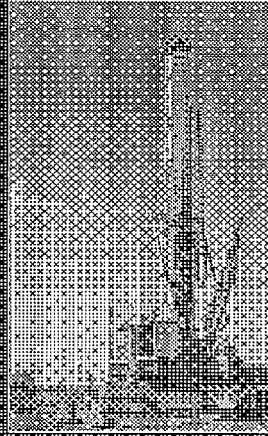
Legend  
 Santos Assets  
 Oil Pipeline  
 Gas Pipeline

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## Cooper Oil Project

Early results are encouraging

- Initial 26 wells drilled  
25 successful (96%)
- 7 wells on-line
- Flowrates on target
- Drilling in 7 days spud to spud
- Real time optimisation

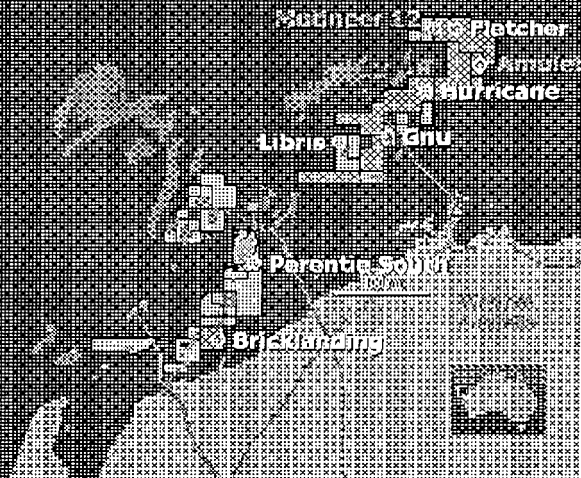


## Western Australian oil and gas

Garnison Basin high value opportunities

### Legend

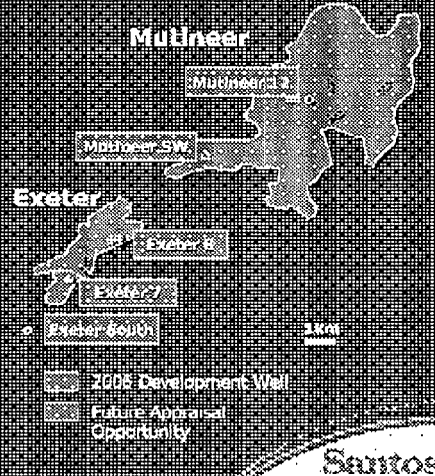
- Santos acreage
- Santos acreage with drilling activity 2006
- Oil opportunity
- Gas opportunity



## Western Australian oil and gas

### Mutineer Exeter development drilling underway

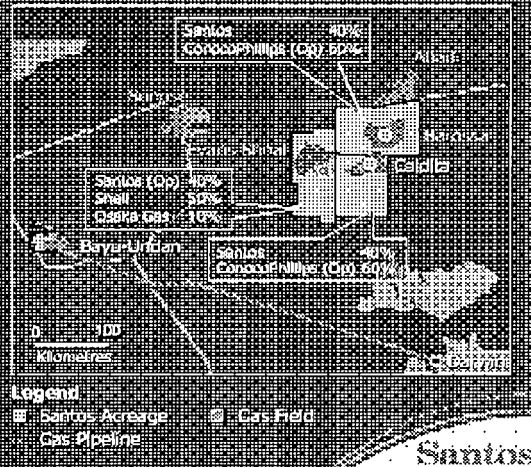
- Mutineer 12 development well online
  - Production rate increased from 35k to 50k bbl/day
- Exeter 7 & 8 to be drilled
- M-E 3D seismic survey
- Stag continues to perform well
- John Brookes uncontracted capacity



## Timor/Bonaparte LNG

### 2006 program upgraded to \$100m (STO share)

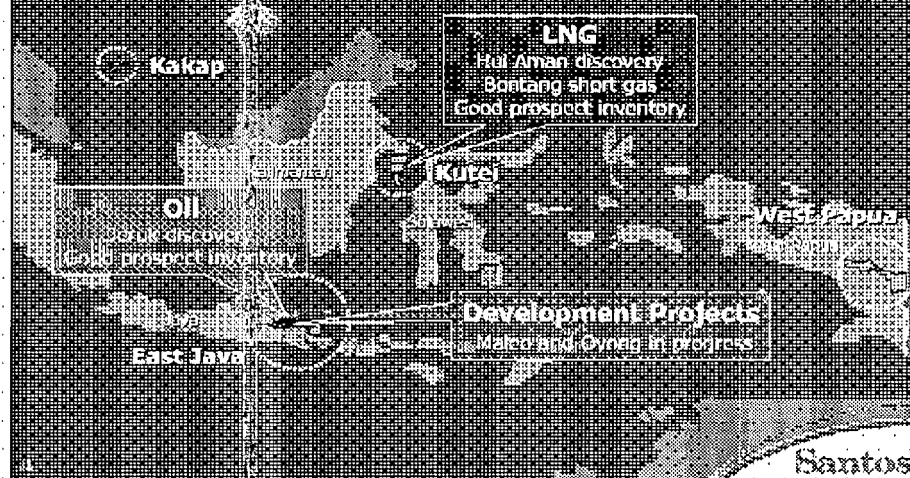
- Bayu-Undan LNG at design capacity
- Strategy to prove up gas resource for LNG expansion
- Evans Shoal South drilling
- Barossa 1, Galdita 2 to follow
- 3D seismic acquisition





## Indonesia - building a core business

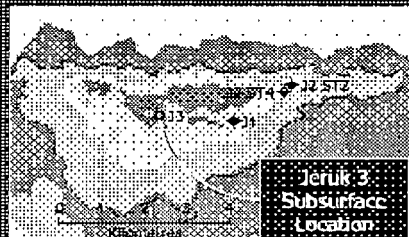
Strong acreage positions in prospective basins...

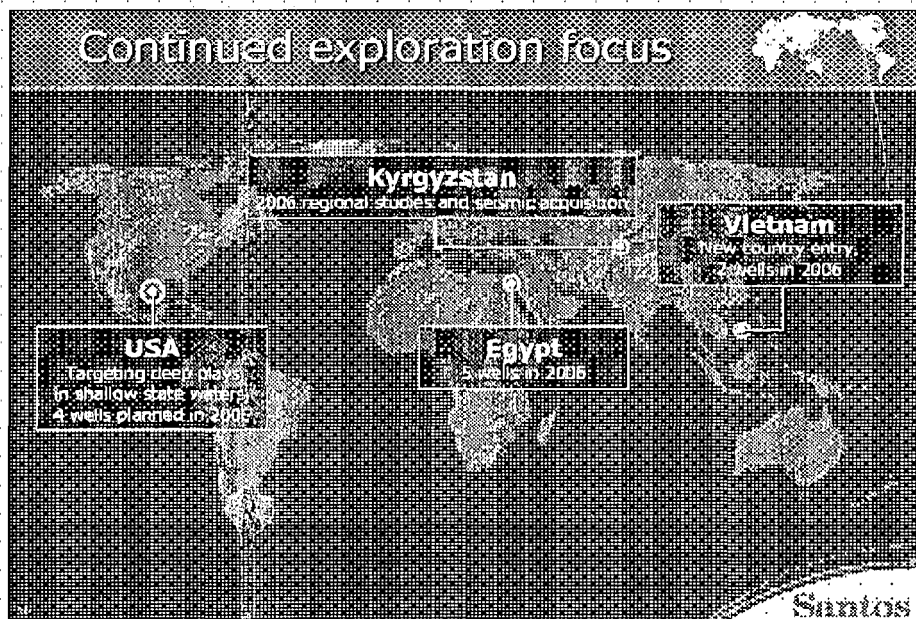
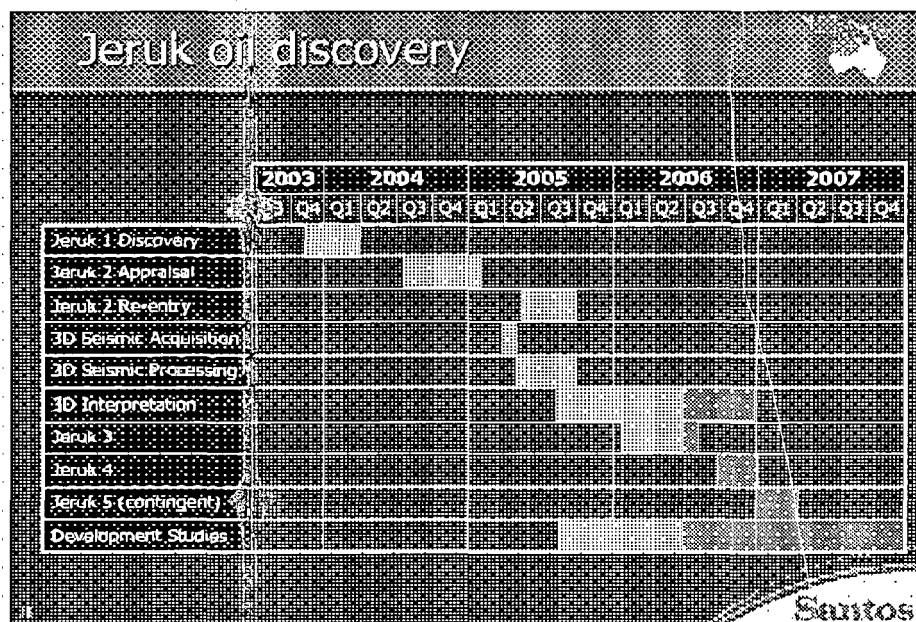


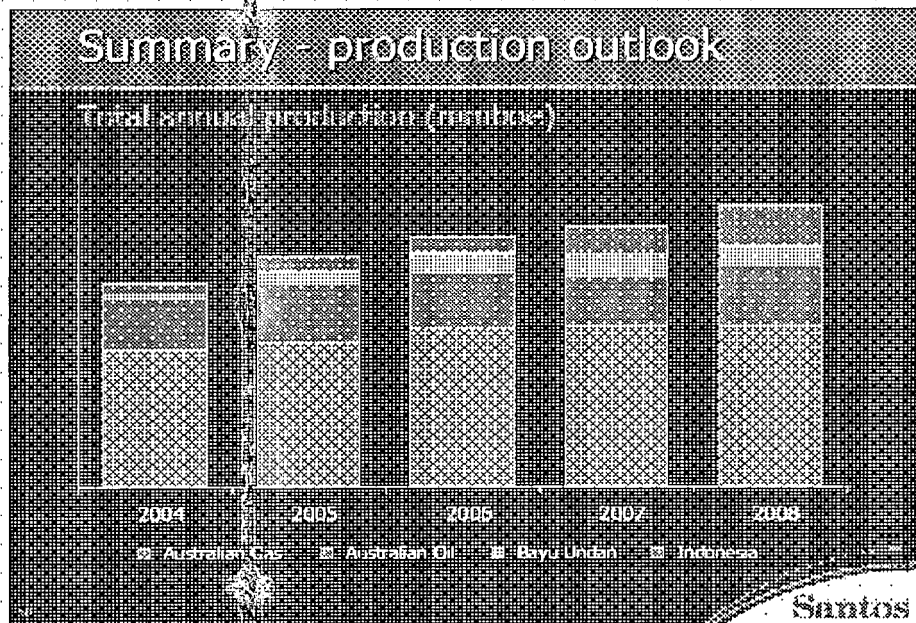
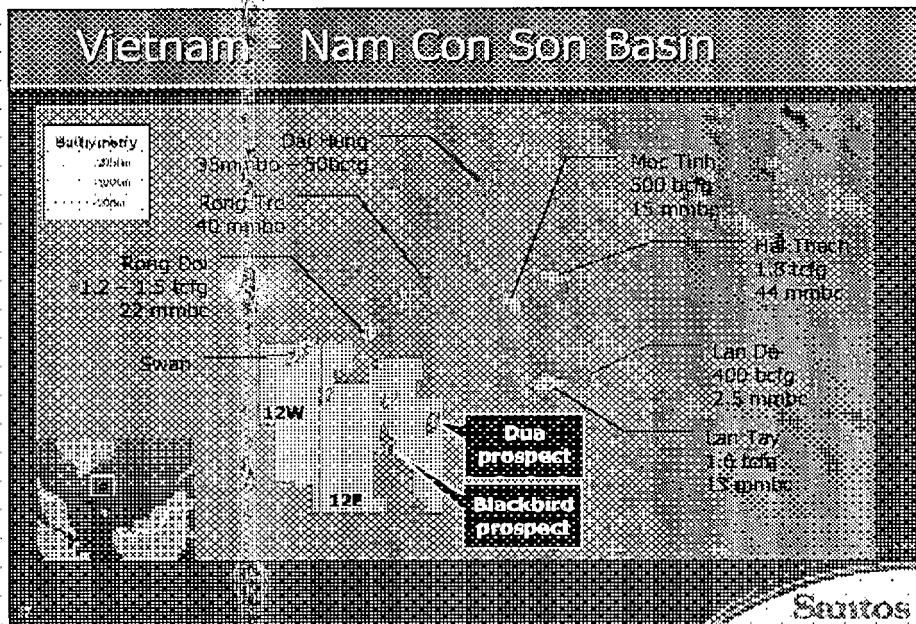
## Jeruk oil discovery

Appraisal program in progress

- Santos 40.5% operator
- Shallow water (42m), deep structure (>4500m subsea)
- Kujung carbonate
- Jeruk 3 appraisal ongoing
  - 2,750 bbl/day, 1/4" choke from top of reservoir
  - Currently deepening well
- Jeruk 4 to follow late Q3









## Conclusions

- Near term production growth
  - Eastern Australian gas
  - Cooper oil program
  - Males, Oyoag
- Medium term growth potential
  - Jeruk appraisal
  - Timor/ Bonaparte LNG
  - 2.0 bn boe contingent resources
- Material exploration program
  - ~20 wildcat wells in 2H 2006
- Growing production profile
  - 56 mmbbl in 2005, growing to 60 – 61 mmbbl in 2006

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